

5. Investment Returns

The total cost of preserving, restoring and redeveloping the ancient city is estimated at 220.6 million baht.

Cost components

The following is the estimated cost for major programmes: restoration and preservation of ancient monuments, 50.30 million baht; administering the project, 19.96 million baht; making a total of 70.26 million baht.

Estimated costs for cultural and tourist promotion programmes are: landscape development (cleaning, clearing and planting trees), 16.75 million baht; digging moats, canals and dams, 8 million baht; and promoting tourism, 15.10 million baht, making a total of 39.85 million baht. (Hotel investments estimated at 30 million baht are private enterprises.)

Estimated costs for community development are 10.57 million baht, and those for setting up public facilities 100.52 million baht. Public facilities fall under three separate programmes: monument preservation, tourist promotion and socio-economic development. Table 23 gives a rough idea.

Table 23. Public facilities

Programme investment (million baht)		Percentage (in terms of work load)	Cost of public facilities (million baht)	Actual costs for each project (million baht)
Monument preservation	70.26	58.22	58.52	128.78
Tourist promotion	39.85	33.21	33.38	73.23
Socio-economic developmet	10.57	8.57	8.62	18.59
TOTAL	120.68	100.00	100.52	220.60

Effect of regional development

The development project should be viewed in terms of its contribution to raising the socio-economic level of old Sukhothai's inhabitants. Because of this, a consensus of local opinion should be obtained before any project is begun. The commercial and business aspects of the project should be of secondary importance.

The preservation of the Sukhothai civilization will enrich Thailand's as well as the world's cultural heritage. There will also be economic benefits:

About 30 per cent of the 220.60 million baht will be used to hire local people, automatically increasing local occupation and income.

At least 750 local inhabitants will be employed in the project during the ten-year period. After this about 100 persons will be hired to maintain the park.

Catering for the needs of visitors will also provide many job opportunities. This involves those who work in shops and restaurants (food and gift stalls included), hotels and hostels.

The improved facilities will promote a healthier and more progressive environment.

Overall effect of the project

The 128.78 million baht of the taxpayers' money (7.2 per cent of individual income) invested in the restoration project will serve to strengthen and confirm Thailand's cultural heritage, generating a sense of pride among the people. This is something that cannot be measured in terms of money.

Several villages will be developed and renewed at a cost of 17.68 million baht, creating a 10 per cent improvement in living conditions of each family. A survey of the estimated income of each family revealed that each earned about 10,000 baht per year. In a popu-

lation of 1,200 families living within the historical park, the estimated investment returns will reach approximately 1.2 million baht per year. If the project life is thirty years, the 17.68 million baht investment will give a return of 1.2 million baht per year, equivalent to a return of 5.38 per cent.

The estimated money spent by tourists (foreign tourists spend approximately 500 baht per day while local tourists spend about 200 baht) increases the circulation of money amongst the inhabitants (it must always be kept in mind, of course, that the satisfaction of the tourists themselves is of greater importance). In analysing investment returns, social benefits are compared with project expenses (financed by the taxpayers' money). At an 8 per cent fixed bank-rate return, the level of satisfaction among tourists and sightseers compared to the total tourist expenses during the projected period is estimated at 2.75:1.